

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 4704-01  
BILL NO.: HB 2148  
SUBJECT: Education, Elementary and Secondary: Deaf Education  
TYPE: Original  
DATE: May 2, 2000

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>
General Revenue*	(UNKNOWN)	(UNKNOWN)	(UNKNOWN)
Deaf Education	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds*</b>	<b>(UNKNOWN)</b>	<b>(UNKNOWN)</b>	<b>(UNKNOWN)</b>
<b>*Exceeding \$1.5 million annually.</b>			

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

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**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **State Treasurer's Office and Department of Social Services** assume the proposal would result in no fiscal impact to the agencies.

Officials from the **University of Missouri, Central Missouri State University, Missouri Western State College and Harris-Stowe State College** assume the proposal would result in no fiscal impact to the institutions.

Officials from the **Southwest Missouri State University (SMSU)** state that assuming the state Office of Deaf Education would fund the programs, no fiscal impact would result to SMSU.

Officials from the **Coordinating Board For Higher Education (CBHE)** assume the proposed Office of Deaf Education is to be housed within DESE. With regard to higher education the bill only requires that the task force make recommendations to the CBHE regarding programs for certain personnel that work with deaf students. There is no fiscal impact associated with that provision.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the proposal would require the following costs:

**(A) FTE and Associated Expenses**

FTE, salary, expense, equipment, and office space for 34 FTE.

**(B) Additional Costs for Establishing and Operating Regional Schools**

Significant costs would be incurred in establishing and operating 9 regional schools. First year start up costs are assumed to be up to \$18.0 million. Subsequent year operating costs are assumed to be \$9.0 million.

**(C) Additional Costs for Establishing and Operating Regional Centers**

Significant costs would be incurred in establishing and operating 9 regional centers. First year start up costs are assumed to be up to \$4.5 million. Subsequent year operating costs are assumed to be \$3.0 million.

**(D) Task Force for the Deaf**

Office support for this task force is assumed to cost approximately \$15,000; expenses are assumed to cost approximately \$30,000.

**(E) Expansion of Child Count**

Office support and automation for this area is estimated to cost approximately \$30,000.

ASSUMPTION (continued)

(F) Annual Study

The contract study is assumed to cost \$30,000; office support for the annual study is assumed to cost approximately \$15,000.

In addition to the above costs, DESE officials included costs of \$250,000 annually for consulting fees.

DESE officials assume the duties of the additional FTE would be as follows:

Coordinator (\$66,950): Oversee program staff in the newly created Office of Deaf Education.

Director - Fiscal (\$64,733): Manage fiscal affairs of the schools, resource centers, and staff.

Director - Program (\$64,733): Manage program development, implementation and operations. Handle personnel issues of hiring.

Director - Outreach (\$64,733): Manage outreach around the state, monitor service delivery, take the lead in disseminating information about the program to entities around the state.

Supervisors (15 @ \$47,611 each): Provide services to parents and school districts, work with consultants who have been retained to provide services, conduct workshops, provide expertise, work with parent groups, work with the specialists hired to staff the regional centers.

Program Specialist II's (10 @ \$30,060 each): These individuals will work closely with the Supervisors.

Sr. Secretaries (5 @ \$24,176 each): Provide office support for all of the above.

The **Oversight Division** has included one Coordinator and no Directors in the fiscal impact, assuming the Coordinator could oversee fiscal, program and outreach services. Oversight has also included only one Senior Secretary in the fiscal impact. Therefore, 27 FTE are included in the fiscal impact section. Office space leasing costs were calculated at \$11.80 per square foot with 200 square feet per FTE.

The **Oversight Division** has included unknown costs for start-up costs, operating costs and consulting fees, since these costs could be lower than those calculated by DESE if the regional schools and resource centers are housed in the existing regional professional development centers.

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<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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**GENERAL REVENUE FUND**

Cost-General Revenue Fund

Appropriation to the Deaf Education Fund*	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>
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**\*Exceeding \$1.5 million annually.**

**DEAF EDUCATION FUND**

Income-Department of Elementary and Secondary Education (DESE)

Appropriation from General Revenue Fund*	UNKNOWN	UNKNOWN	UNKNOWN
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Cost-Department of Elementary and Secondary Education (DESE)

Personal Services (27 FTE)	(\$944,238)	(\$1,161,877)	(\$1,190,923)
Fringe Benefits	(\$290,353)	(\$357,277)	(\$366,209)
Expense and Equipment	(\$278,822)	(\$98,866)	(\$101,831)
Consulting Fees, Start-Up Costs, Operating Costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
Total <u>Cost-DESE*</u>	(UNKNOWN)	(UNKNOWN)	(UNKNOWN)

<b>ESTIMATED NET EFFECT ON DEAF EDUCATION FUND</b>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>
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**\*Exceeding \$1.5 million annually.**

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

The Division of Special Education within DESE would establish an Office of Deaf Education. The mission of the Office of Deaf Education would be to improve the literacy and educational and vocational performance of students with hearing impairments. In addition to other objectives, the office would develop and coordinate regional schools and resource centers for deaf students.

A task force on deaf education and literacy would be created to advise the office. The task force would make recommendations to CBHE and DESE.

The office would develop and coordinate regional schools and resource centers for the deaf aligned with each regional professional development center.

Regional centers would be required to attempt to maintain a staff with certain capabilities. Each regional school and resource center would provide certain services.

The Office of Deaf Education would conduct an annual study of the educational status of deaf students and report the findings no later than December 1 of each year to the House of Representatives and Senate.

The Division of Special Education within DESE would develop a system of referral for deaf and hearing-impaired children.

The proposal would create the Deaf Education Fund to be administered by DESE. The fund would be used to establish and maintain the regional schools and resource centers.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Coordinating Board For Higher Education  
Department of Social Services  
State Treasurer's Office  
Central Missouri State University  
Southwest Missouri State University  
Missouri Western State College  
Harris-Stowe State College  
University of Missouri

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA  
Director  
May 2, 2000